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Report of the Trade and Development Board on its twenty-first executive session* (Geneva, 1 July 1999)

* The present document is an advance version of the report of the Trade and Development Board on its twenty-first executive session, held at the United Nations Office at Geneva on 1 July 1999. It will appear in the final form, together with the reports of the nineteenth, twentieth and twenty-second executive sessions and the forty-sixth session of the Board, as *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 15* (A/54/15/Rev.1).

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Chapter I

UNCTAD'S CONTRIBUTION TO UN-NADAF: UNCTAD'S ACTIVITIES IN FAVOUR OF AFRICA

(Agenda item 2)

1. For its consideration of this item, the Board had before it the following documentation:

"UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa – Report by the Secretary-General of UNCTAD" (TD/B/EX(21)/2)

2. The **UNCTAD Coordinator for Africa**, referring to the discussions at the eighteenth session of the Trade and Development Board, reported on areas where delegations had indicated they would wish to see progress. With regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP), US$ 7 million of the US$ 10 million earmarked had already been received in the trust fund and activities had started in earnest in May 1998. Considerable progress had been made in the implementation of the programme. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, the six core agencies had stepped up their activities and had prepared individual responses in the light of needs assessments submitted by the least developed countries (LDCs), and round-table meetings had been scheduled for 17 African LDCs. In the area of investment, considerable work had been undertaken on the preparation of investment guides and a study entitled "FDI in Africa: performance and potential" was being issued. With

regard to analytical work, 13 studies had been commissioned for the UNCTAD International Conference on African Development in a Comparative Perspective, held in Mauritius in September 1998, and part two of the *Trade and Development Report, 1998* was wholly devoted to Africa. A study was under way on the transport and trade competitiveness of African countries for presentation at the regular session of the Board.

3. The spokesperson for the **African Group** (Egypt) welcomed the methodology of submitting a factual report to the executive session on UNCTAD's activities in favour of Africa and an analytical report to the regular session of the Trade and Development Board. Referring to the full range of activities being carried out by UNCTAD in favour of Africa, he said they provided vital support for the efforts of African countries to become integrated in the world economy and needed to be continued in the light of the modest improvement in the economic performance of African countries. He called on UNCTAD to contribute to the review of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) by the General Assembly. With regard to the economic situation in African countries, he noted the continuous decline in official development assistance (ODA), the heavy debt burden of African countries and the problem of falling commodity prices in recent years. Supply-side problems hindered Africa's ability to benefit from the trading system. He called on the six cooperating agencies to step up their activities in the follow-up to the High-level Meeting on LDCs. Urgent action with regard to debt relief and a review by UNCTAD of the integrated initiatives was needed, together with recommendations on how to make them more effective. While welcoming the implementation of JITAP, he called for the programme to be expanded to other African countries and for the expansion of the Coordinated African Programme

of Assistance in Services (CAPAS). He further called on UNCTAD to expand its assistance in respect of trade negotiations and trade diplomacy and to expand the Trade Point Programme in Africa.

4. The spokesperson for the **Latin American and Caribbean Group** (Chile) welcomed the progress in UNCTAD's work in favour of countries in Africa but expressed concern about the situation of other countries whose economies were structurally weak and vulnerable. He called on UNCTAD to provide support to other geographical regions, especially those countries which had problems similar to those faced by African countries.

5. The representative of **Finland**, speaking on behalf of the **European Union**, said that although the report and the introduction by the UNCTAD Coordinator for Africa together gave a comprehensive picture of UNCTAD's activities in support of UN-NADAF, the UNCTAD secretariat had been requested at the eighteenth executive session of the Board to provide more detailed information on its objectives and the results achieved with respect to the work on UN-NADAF, as well as on the impact of the work financed from the regular budget and from extrabudgetary sources. With regard to research and policy analysis, he stressed the usefulness of the concept of a "development State" – one that was streamlined and efficient and that provided a conducive framework for enterprise development. The European Union was committed to assisting in capacity-building in such development States. In the sectoral part of the report, the listing of the activities did not reflect the value they added to the new agenda. Technical cooperation programmes were fragmented and needed to be more focused. Further consolidation of activities under the programmes

was required. Trade liberalization was an essential element in creating an environment for sustained economic outward-oriented development and competitiveness. Recalling the argument in *The Least Developed Countries 1998 Report* that a lack of openness was the single most important cause of slow growth in sub-Saharan Africa, he said that liberalization should be consistent with a pattern of growth which was equitably shared and which would lead to poverty reduction. The European Union would actively support the participation of developing countries in future multilateral trading negotiations.

6. The representative of **South Africa** said the *Trade and Development Report, 1998* provided an invaluable analysis of the development problems of African countries. Unfortunately, Africa's development continued to be hindered by supply-side problems, declining resource flows and a crippling debt overhang. The report presented to the executive session reflected a number of important initiatives being undertaken by UNCTAD to build capacity and strengthen institutions in Africa and to assist countries in the next round of multilateral trade negotiations. Referring to the Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries and the Africa Regional Workshop for Senior Trade Negotiators hosted by South Africa, he said that South Africa had benefited from UNCTAD's capacity-building programmes. The development challenge in Africa required a holistic and integrated approach to address the problems of the debt overhang, declining ODA and private investment flows and the imbalance in the international trading system. UNCTAD was well placed to bring coherence into the programmes and policies of international institutions. He looked forward to receiving the report being prepared by UNCTAD on transport costs and the competitiveness of Africa's trade later in 1999.

7. The representative of **Morocco** said the report provided a useful overview of UNCTAD's activities in favour of Africa. He expressed satisfaction with the research and analysis undertaken by UNCTAD since 1997 and gratitude to the Government of Japan for having provided support for UNCTAD's analytical work, including for the conference in Mauritius, and requested information on the follow-up to the conference. He encouraged the UNCTAD secretariat to continue its research and analysis in areas where African countries faced real problems of integration and expressed satisfaction at UNCTAD's support to African countries on issues related to trade and the World Trade Organization (WTO). Nevertheless, he was concerned that JITAP had only very recently become operational and that only a small number of countries benefited from the programme. He welcomed the secretariat's intention to cover supply-side constraints of LDCs in its future reports, but he was concerned about the pace of the implementation of, and follow-up to, the High-level Meeting on LDCs. He expressed satisfaction at the secretariat's efforts to assist African countries in the lead-up to the Third WTO Ministerial Conference, including through the organization of the Sun City and Pretoria workshops. The imminent publication of a report on investment in Africa could help to change the image of Africa in the minds of investors and convince them there were opportunities for investment in Africa. He called on donor Governments and the UNCTAD secretariat to make additional efforts in the areas of ODA and debt. Also, UNCTAD's work on commodities and diversification needed to be reinforced.

8. The representative of the **Russian Federation** said that UNCTAD needed to devote some attention to post-conflict rehabilitation and development. African countries had made certain advances through economic reforms. Foreign direct investment (FDI) in Africa and the debt

overhang in the continent required further attention. Stability was a precondition for attracting the necessary finance for development, and therefore the root causes of instability, such as poverty and humanitarian crises, needed to be addressed.

9. The representative of **Japan** welcomed the report and listed a number of activities being carried out by the Government of Japan in support of African countries. In the follow-up to the second Tokyo International Conference on African Development, the third Asia–Africa Forum and the Africa-Asia Business Forum were being organized in Malaysia, an Asia–Africa investment and technology transfer promotion centre was being established in Malaysia, and a seminar on debt management was being organized in Kenya in collaboration with the International Monetary Fund (IMF), the World Bank and the United Nations Development Programme (UNDP). She expressed support for UNCTAD's capacity-building activities in Africa.

10. The representative of **Cuba** said that despite his country's economic problems, Cuba was providing technical assistance to African countries in the education, health and technical sectors. He called on the international community and the richer countries to do more for Africa.

11. The spokesperson for the **Asian Group** (Islamic Republic of Iran) said he supported UNCTAD's activities in favour of Africa and hoped that UNCTAD's contribution to UN-NADAF would help African countries to become further integrated in the world economy.

12. The representative of **China** expressed support for UNCTAD's activities in favour of Africa.

African countries, particularly sub-Saharan countries, faced a great challenge in their efforts to achieve economic growth. In the context of UN-NADAF, the main donor countries should assist African countries by reducing the debt of the latter, stabilizing commodity prices and providing access to their markets. The developing countries should be assisted in integrating in the multilateral trading system. China had always provided assistance to African countries and would continue to do so.

13. The representative of the **United States of America** called on UNCTAD to devote more attention and resources to issues related to Africa than had previously been the case. She called for a more vigorous follow-up to the High-level Meeting on LDCs and called on UNCTAD to provide full support to LDCs in the lead-up to the Third WTO Ministerial Conference in Seattle. The United States Agency for International Development was engaged in trade-related information sessions in various countries across the African continent. She called on other donors to contribute more to programmes on Africa from their trust funds. Africa should continue to be a high-priority area in the lead-up to UNCTAD X.

14. The representative of the **Sudan** reiterated the concerns expressed by the representatives of Morocco and Egypt with regard to the slowness in the implementation of the follow-up to the High-level Meeting on LDCs. The time had come for all the parties concerned to look into the difficulties hindering the implementation of the recommendations made at that meeting. More information was needed on the various activities carried out by UNCTAD to assist LDCs in integrating in the global economy. In particular, measures were needed to ensure the swift accession to WTO of those LDCs that were not yet members.

15. The **UNCTAD Coordinator for Africa**, in his response to questions raised by delegations, informed delegations about the study on debt undertaken by UNCTAD and the Department of Economic and Social Affairs (DESA) and said that the secretariat would be analysing the results of the G8 Summit in Cologne on the question of debt. He expressed concern that ODA, including to the poorest countries, had fallen to its lowest-ever level, while private flows were too meagre to compensate for the loss of ODA. The UNCTAD secretariat was providing information and analysis on the various initiatives relating to Africa and was working closely with other agencies on African development questions. UNDP had released US$ 1.1 million in the context of the joint UNCTAD/UNDP programme on capacity-building for trade and development in Africa, and the Division on International Trade in Goods and Services, and Commodities had already organized a programme in the light of the funds that had been made available.

16. With regard to the concerns expressed about the impact of the activities undertaken by the secretariat, some of them would be taken up in the annual consideration of UNCTAD's technical cooperation activities. In future reports, the secretariat would do its best to include references to the impact of its activities. With regard to the objectives of UNCTAD's assistance to African countries, they corresponded to the intergovernmental mandates in UNCTAD and the mandates in UN-NADAF. Concerns with regard to progress in the follow-up to the High-level Meeting on LDCs would be taken up with the six core agencies.

17. In the area of commodities, ways in which UNCTAD could provide more active support to African countries were being discussed at the highest level in the secretariat. A paper had been provided by the secretariat in response to the Committee for Programme and Coordination suggesting ways of dealing with the question of diversification at the inter-agency level, and UNCTAD had proposed that it could take a leading role in any such inter-agency endeavour. With regard to assistance to weak and vulnerable economies, UNCTAD was actively engaged in other regions as well as Africa, and its assistance was not limited to LDCs.

18. UNCTAD would hope to be involved in the future activities listed by the representative of Japan in favour of Africa; indeed, UNCTAD had initiated many of those programmes and was actively involved in the areas alluded to by the representative of Japan.

Chapter II

PREPARATIONS FOR UNCTAD X

(Agenda item 3)

19. For its consideration of this item, the Board had before it the following documentation:

"Information for participants" (TD/INF.35)

20. **The Secretary of the National Committee for UNCTAD X,** Mr. Kobsak Chutikul, Director-General of the Department of Economic Affairs in the Ministry of Foreign Affairs of Thailand, said that Thailand had decided to honour its offer to host the conference despite the severity of the financial crisis that had hit the country since it made the offer. In such times of crisis, UNCTAD's work had become more relevant and valuable than ever. Moreover, Thailand now illustrated not only economic success but also the obstacles to economic development, such as improperly sequenced liberalization or some of the negative impacts of globalization, and the first steps to recovery following a crisis. He hoped that UNCTAD X would provide a forum where all nations could review the successes and shortfalls of developmental strategies and reach a new consensus on development that would provide a framework for debate in the future. The conference would be an occasion to make a fresh start in shaping the ongoing process of globalization.

21. His speech was followed by a promotional clip that gave a glimpse of Thai hospitality and traditions and that showed the conference facilities at the Queen Sirikit National Convention Centre, where UNCTAD X would be held.

22. The **Secretary-General of UNCTAD** said he had never doubted that Thailand would honour its generous offer to host the conference, despite the economic setback it had suffered. UNCTAD X would be an opportunity for Asian countries to show that they were "back in business", returning to positive growth and once again making progress in reducing poverty. He agreed with the Secretary of the National Committee that the event could set the tone for the development debate for decades to come. While lessons should be drawn from past problems, such as those experienced by Thailand and other countries in Asia, the conference should look towards the future, taking a positive and constructive approach. As the Secretary had said, globalization was an ongoing process that was still in its early stages. There was time to adjust its course where necessary, and countries were in a position to shape their own destiny.

23. The representative of the **United States of America** expressed concern at the number of parallel events planned for UNCTAD X; they should not number more than three or four.

24. The representative of **Finland,** speaking on behalf of the **European Union,** reiterated the need for an early resumption of consultations on the substantive issues to be raised at the conference. All partners should have an opportunity to better understand their partners' positions before they began to finalize their own, since it was very difficult to adjust positions that were already the result

of internal compromises within a group. An exchange of views under the guidance of the President of the Board should be undertaken before the summer break, taking into account the draft report of the Secretary-General, which was expected to be available before then.

25. The representative of **Japan** said that preparations so far appeared to involve mostly the G77 and the secretariat. It was time for interaction between groups and between the secretariat and all member States, for instance through informal meetings and the provision of timely information on the preparations.

26. The representative of **Morocco,** speaking on behalf of the Chairman of the G77 Preparatory Committee, said the G77 was always happy to enter into consultations with its development partners, but would only discuss substantive issues once it had finalized its own position, to which it was putting the final touches. Only when the group had completed its internal discussions would it decide on whether to enter into consultations with partners before the summer break or after the ministerial meeting in Marrakech in September 1999. As for the consultations on the Secretary-General's report, a decision on them would have to wait until the draft report was available.

27. The **Secretary-General of UNCTAD** introduced an informal note on UNCTAD's activities under the Positive Agenda, dated 30 June 1999. It was recognized that developing countries were often handicapped in their preparations for multilateral negotiations by institutional weaknesses. They also lacked a forum, such as that provided for developed countries by the Organisation for Economic Co-operation and Development (OECD), at which they could deepen their understanding

of the issues and coordinate their positions. The Positive Agenda was becoming the centrepiece of UNCTAD's activities to provide developing countries with the means to take a proactive approach to multilateral negotiations.

28. Work on the Positive Agenda had got off to a vigorous start, in part thanks to the additional resources allocated to UNCTAD by the General Assembly from savings made in the regular budget of the United Nations. The work would contribute to the preparations for the ministerial conference of the World Trade Organization (WTO), due to be held in November/December 1999, only a few months before UNCTAD X, since many of the issues related to the Positive Agenda were relevant to the work of WTO. The work had included the organization of two ad hoc expert meetings and the preparation of the studies presented at those meetings, at which other organizations, notably WTO, the World Bank and the International Trade Centre UNCTAD/WTO (ITC), had taken a full part.

29. The work had entered a new phase recently, with the holding of a regional meeting in Seoul, at the invitation of the Government of the Republic of Korea. Another was taking place at that very moment in South Africa, with the generous financial support of the Government of South Africa, and a third was due to be held in the Dominican Republic in August. Details of all three meetings were to be found in the informal note mentioned earlier. The secretariat was intending to hold informal meetings to provide an opportunity for an exchange of views between participants in the regional meetings and interested parties in Geneva.

30. He emphasized that the secretariat was not trying to set the agenda for developing countries, but to facilitate their discussions by providing analysis, and also opinions, on substantive aspects.

31. The representative of **Turkey** said that as the work carried out by UNCTAD on the Positive Agenda was so important, she would have preferred it if the meetings had been organized in such a way as to allow as many countries as possible to take part, rather than on a regional basis. She looked forward to the briefings by the secretariat on the outcomes of the meetings.

32. The representative of the **Republic of Korea** agreed that the results of the meetings should be shared. Developing countries needed assistance in preparing for trade negotiations, and the exchange of views at the first regional meeting, in Seoul, had proved very useful.

Chapter III

REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO ON ITS THIRTY-SECOND SESSION

(Agenda item 4)

33. For its consideration of this item, the Board had before it the following documentation:

"Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session" (ITC/AG(XXXII)/173)

34. The representative of **Belgium**, speaking in his capacity as **Chairperson of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO** (ITC), introduced the report of the Group on its thirty-second session. The Group had examined the technical cooperation activities of ITC in 1998 and the operation of the ITC Global Trust Fund. It had praised ITC for its institutional reforms, its increased collaboration with other organizations, the functioning of its institutional mechanisms and its ability to anticipate the needs of its clients. ITC had successfully sharpened its focus to more closely match its clients' needs, moving on from administrative reforms to the productive delivery of field programmes. Some representatives had stressed the importance of striking an adequate balance between interregional, regional and national programmes.

35. A number of actions had been taken to increase ITC's operational activities at the country

level, including helping partner countries to link trade promotion to other national economic development polices, carrying out needs assessments and mobilizing resources through partnerships with its parent bodies and other international organizations.

36. The Group had praised ITC for its increased collaboration with other organizations, including in the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP). However, there was a need for greater momentum in the implementation of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (LDCs), which would require the full commitment of all actors concerned, including the LDCs themselves. The Group had vigorously reaffirmed the high priority that should be given to LDCs, and had noted with concern that related expenditure on technical cooperation had been stagnant.

37. With regard to cooperation with UNCTAD and WTO, there was still room for improvement in the initial stages of conceptualizing programmes. The Group had encouraged ITC to strengthen its cooperation with organizations such as the United Nations Industrial Development Organization (UNIDO) and the International Labour Organization (ILO), as well as with the Bretton Woods institutions, and to develop partnerships with civil society.

38. With regard to the annual report on the activities of ITC, a more evaluative and analytical approach focusing on objectives and results had been recommended, with more attention paid to issues of common concern such as poverty alleviation and gender equality.

39. At the thirty-second session, as was customary, government representatives had announced or confirmed voluntary contributions to ITC. He wished to thank the Governments of Canada, China, Denmark, France, Germany, India, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom for their pledges, as well as Belgium, Côte d'Ivoire, Greece, Ireland and Italy, who had made pledges prior to the meeting.

40. The representative of **Finland,** speaking on behalf of the **European Union,** welcomed the shift in focus from building up ITC's organizational strength to its operational activities. He said that close and harmonious cooperation with the various actors in the field had to be one of the leading principles if the practical work of ITC was to be effective and was to meet the needs of the recipients of technical assistance. Any effective development strategy must begin with the LDCs themselves: international organizations should not impose solutions but work together to provide LDCs with the opportunities and resources those countries needed to help themselves. The recipient's involvement in project formulation and needs assessments was vital, as was the participation of the private sector and civil society.

41. The spokesperson for the **Latin American and Caribbean Group** (Chile) welcomed the progress made by ITC, especially in completing its internal restructuring. The Centre was now better equipped to help developing countries to strengthen their support to companies, especially small and medium-sized enterprises, wishing to trade internationally. He encouraged ITC to intensify and expand its activities and programmes, particularly in relation to the countries in Latin America and the Caribbean whose vulnerability prevented them from becoming properly integrated in the

international trading system. He noted that if ITC was to carry out its activities effectively it would need to be provided with the necessary resources.

Action

42. The Board took note of the "Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session", and of the statements made on that item.

Chapter IV

OTHER BUSINESS

(Agenda item 6)

(a) Annual maintenance fees

43. For its consideration of this item, the Board had before it the following documentation:

"Financial sustainability of selected UNCTAD technical cooperation programmes" (TD/B/EX(21)/CRP.1)

44. The **Head of the Resources Management Service of UNCTAD** said that the cost-accounting exercise requested by the Working Party on the Medium-term Plan and the Mid-term Review at its thirty-third session was proceeding on a phased basis, as recommended by the consultant concerned. The cost-accounting system chosen had been introduced in the DMFAS programme in April and in the ASYCUDA programme in June, and would be introduced in the ACIS programme in the fourth quarter of 1999. He thanked the Government of the United Kingdom for making available the software which allowed the cost accounting to be carried out.

45. The document before the Board contained figures for the DMFAS programme for May and

June, but there was not yet enough information to allow the Board to take a decision on the introduction of annual maintenance fees. Sufficient information for that purpose should be available to the Working Party at its thirty-fourth session, at the end of September 1999. It could already be observed that the data in annex II of TD/B/EX(21)/CRP.1 broadly confirmed the figures previously presented to the Working Party on the cost of general maintenance support activities, which amounted to about one-third of the expenditure on the central support team of the DMFAS programme.

46. Demand continued to grow for the three programmes, and 18 additional countries had initiated projects within the programmes in recent months (2 in ACIS, 5 in ASYCUDA and 11 in DMFAS). Half of those countries would finance their participation from their own resources or by borrowing from international financial institutions (mainly the World Bank), while the others would be funded by the United Nations Development Programme (UNDP) or bilateral donors, namely the Governments of Switzerland, the United Kingdom and the United States.

47. The spokesperson for the **Latin American and Caribbean Group** (Chile) said that the Group had only received the document on the item a few days earlier and so was not yet able to state its position on such an important issue. He proposed that the item should continue to be considered by the Working Party, in order to shed light on a number of concerns raised by countries of the Latin American and Caribbean Group.

Action

48. The Board took note of the information provided, and requested the Working Party to consider the matter further at its thirty-fourth session.

(b) Coordinating Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries

49. The representative of **Ethiopia**, speaking in his capacity as Rapporteur of the workshop, held in Sun City, South Africa, from 21 to 25 June 1999, said it had been well attended, with participants from LDC capitals and missions in Geneva and Brussels, and representatives of regional and international organizations, subregional economic groupings and the private sector. There had been an interactive video conference linking the UNCTAD secretariat and the panel of ambassadors on the emerging multilateral trading system. A high-level panel of Geneva-based ambassadors and the Special Coordinator for Least Developed, Landlocked and Island Developing Countries had shared experiences in various areas of the WTO agreements. The main background document had been prepared by the Office of the Special Coordinator. As well as its conclusions and a communiqué, the workshop had adopted proposals for a comprehensive new plan of action for integrating LDCs into the global economy.

50. Participants had reviewed the experiences and problems faced by LDCs in implementing the Uruguay Round agreements and the impact of the agreements on their trade and development prospects. They had discussed the participation of LDCs in global trade rule-making and ways to maximize the potential benefits to them of globalization while minimizing the risks. They had

expressed concern at the continuing marginalization of LDCs from the mainstream of the globalizing economy, as reflected in their low and declining share in world trade, investment and output. To overcome their marginalization, they needed the international community to take comprehensive and coordinated measures.

51. They had noted with deep concern the precariousness of the socio-economic situation and the structural weaknesses in LDCs' economies, which led to weak competitiveness, social exclusion and abject poverty. Moreover, the numerous promises to help LDCs had failed to materialize, so that domestic reform programmes had not had their full effect – indeed, sometimes their impact had been negative. At the same time, there was a continuing decline in official development assistance, and aid from the major donor group, the Development Assistance Committee of the OECD, was shrinking. Recent initiatives to reduce the debt burden of LDCs were welcomed, although more substantive action was urgently needed. Lack of market access, the decline in commodity prices, over-dependence on a few commodities for foreign exchange earnings and the lack of financial flows continued to constrain LDCs' growth and development prospects.

52. The globalization process needed to be tamed and managed by the international community in such a way as to facilitate the integration of LDCs in the world economy and bring about the more equal sharing of its benefits. To achieve that would require action by LDCs themselves and by their development partners to strengthen LDCs' supply capacities through, *inter alia*, the development of their physical and institutional infrastructure and human resources, improved market access and policies to strengthen the competitiveness of sectors of strategic importance for the development of

their trade. Duty-free treatment should be accorded immediately to all products of export interest to LDCs.

53. The scope, structure and time frame of future multilateral trade negotiations would have a great bearing on the ability of LDCs to participate in them effectively, given their limited human and financial resources. Special and differential treatment should be made an integral part of the rules governing the multilateral trading system, and fast-track accession to WTO should be made available to those LDCs that were not yet members.

54. Participants had decided to present the outcome of the workshop as formal input from LDCs into the Third WTO Ministerial Conference, UNCTAD X and the Third United Nations Conference on the Least Developed Countries. They had endorsed the strategy of collective bargaining to further the interests of LDCs as a group and had resolved to set up a working group to follow up issues concerning LDCs within the WTO work programme. They had also underlined the importance of providing LDCs with technical assistance to build their negotiating capacity, including through the formulation of the Positive Agenda.

(c) G15 statement on a comprehensive employment strategy

55. The representative of **Egypt**, speaking in his capacity as **Chairman of the Group of 15** (the summit-level group of developing countries), introduced a G15 paper on a comprehensive employment strategy, which had been presented at the eighty-seventh session of the International

Labour Conference, in June 1999. The ninth G15 summit, held in Montego Bay, Jamaica, in February 1999, had emphasized the need to find appropriate solutions to the financial crisis, which had had widespread negative economic and social consequences and had increased unemployment and poverty. Unemployment was a global problem that threatened the socio-economic fabric of society and a global strategy was needed to combat it: the fundamental rights of workers must be recognized at the international level. The International Labour Organization (ILO), as an organization able to harness the views of Governments, employers and workers' representatives, should take the lead in formulating and implementing a comprehensive employment strategy.

56. Employment creation was one of the four key priorities formulated by the Director-General of ILO, and the organization could draw on the experience it had accumulated in decades of analytical research. To combat the effects of unemployment on the most vulnerable workers, namely women, the elderly and the very poor, there was a need to encourage a spirit of enterprise in developing countries. A comprehensive employment strategy would require the cooperation of the specialized agencies of the United Nations and other relevant organizations, including UNCTAD. The strategy should aim, *inter alia*, to protect the most disadvantaged groups, provide protection against unemployment and promote gender equity.

(d) Common Fund for Commodities

57. The representative of **Finland,** speaking on behalf of the **European Union,** asked the secretariat to keep member States informed of the consequences for UNCTAD of the draft

memorandum of understanding between UNCTAD and the Common Fund for Commodities that had been considered by the executive board of the latter in April 1999.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

58. The twenty-first executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 1 July 1999. The executive session consisted of two meetings, the 903rd and 904th plenary meetings of the Board. The session was opened by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the twenty-first executive session

59. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its twenty-first executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
Vice-Presidents:	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)
	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)

	Mr. Syargei Mikhnevich	(Belarus)
	Mr. Alphonse Oseku	(Uganda)
	Mr. Carlos Pérez del Castillo	(Uruguay)
	Mr. Raimundo Pérez-Hernández	(Spain)
	Mr. Mounir Zahran	(Egypt)
Rapporteur:	Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

60. The Board adopted the provisional agenda for its twenty-first executive session (contained in TD/B/EX(21)/1), as amended. For the agenda as adopted, see annex I.

D. Institutional, organizational, administrative and related matters

(Agenda item 5)

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

61. For its consideration of this sub-item, the Board had before it the following documentation:

"List of IGOs participating in the activities of UNCTAD" (TD/B/IGO/LIST/2, Add. 1 and 2)

62. There were no new applications before the Board for consideration at the current session, but attention was drawn to changes in the names of two intergovernmental organizations that already enjoyed status with UNCTAD. The Board of the Cartagena Agreement (JUNAC) had been replaced by the General Secretariat of the Andean Community, and the Agency for Cultural and Technical Cooperation (ACCT) by the Organisation Internationale de la Francophonie.

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

63. For its consideration of this sub-item, the Board had before it the following documentation:

"List of NGOs participating in the activities of UNCTAD" (TD/B/NGO/LIST/2, Add. 1, 2 and 3)

"Application by OXFAM International" (TD/B/EX(21)/R.1)

"Application by Ingénieurs du monde" (TD/B/EX(21)/R.2)

"Application by the Pan African Organization for Sustainable Development" (TD/B/EX(21)/R.3)

"Application by the World Export Processing Zones Association" (TD/B/EX(21)/R.4)

64. Applications had been received from Oxfam International, Ingénieurs du monde (Engineers of the World), the Pan African Organization for Sustainable Development and the World Export Processing Zones Association for inclusion in the list provided for in rule 77 of the rules of procedure of the Board. The Secretary-General of UNCTAD had consulted the Bureau of the Board on the applications, and the Bureau had concurred with his recommendations. The Board decided that the four organizations should be classified, as recommended, in the General Category, in accordance with the provisions of paragraph 12 (a) of Board decision 43 (VII).

(c) Designation of the President and Bureau of the forty-sixth session of the Trade and Development Board

65. Mr. Philippe Petit (France) was nominated for the post of President of the Board at its forty-sixth session.

E. Report of the Board on its twenty-first executive session

(Agenda item 7)

66. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

ANNEXES

Annex I

AGENDA FOR THE TWENTY-FIRST EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. UNCTAD's contribution to UN-NADAF: UNCTAD's activities in favour of Africa

3. Preparations for UNCTAD X

4. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-second session

5. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

(c) Designation of the President and Bureau of the forty-sixth session of the Trade and Development Board

6. Other business

(a) Annual maintenance fees

(b) Coordinating Workshop for Senior Advisers to Ministers of Trade in the Least Developed Countries

(c) G15 statement on a comprehensive employment strategy

(d) Common Fund for Commodities

7. Report of the Board on its twenty-first executive session

Annex II

ATTENDANCE *

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Angola
Argentina
Australia
Austria
Bahrain
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Costa Rica
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominica
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Germany
Ghana
Guatemala
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Italy
Jamaica
Japan
Jordan
Lebanon
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Portugal
Republic of Korea
Russian Federation

* For the list of participants, see TD/B/EX(21)/INF.1.

Singapore
Slovakia
South Africa
Spain
Sudan
Switzerland
Syrian Arab Republic
Thailand
The Former Yugoslav Republic of Macedonia
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Yemen
Zambia

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Holy See
Rwanda

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Organisation internationale de la francophonie
Organization of the Islamic Conference
South Centre

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund

United Nations Industrial Development Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
International Federation of Business and Professional Women
International Organization for Standardization
World Federation of United Nations Associations
World Vision International